

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION
NO. 5:16-CR-000298-D

UNITED STATES OF AMERICA)
v.)
TREYTON LEE THOMAS)

FINAL ORDER OF FORFEITURE OF CRYPTOCURRENCY AND TURNOVER ORDER

This matter is before the Court on the United States' motion for a final order of forfeiture with respect to certain cryptocurrency preliminarily forfeited to the United States on July 2, 2019 and, to the extent additional cryptocurrency remains in government custody after satisfaction of the criminal forfeiture judgment in this case, for an order (i) authorizing the United States to sell the additional cryptocurrency up to the amount necessary to satisfy the defendant's \$7,310,593.53 restitution obligation, and (ii) directing the United States to turn over the proceeds of such sale to the financial section of the United States District Court Clerk's Office to be applied to the outstanding monetary penalties, including restitution, ordered in this case.

FINDINGS

1. On July 2, 2019, this Court entered a Preliminary Order of Forfeiture pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure and 21 U.S.C. § 853, forfeiting the following property:

(a) \$322,085.37 in directly forfeitable United States currency; and
(b) \$6,960,438.63 in additional proceeds that the defendant personally obtained directly or indirectly as a result of the criminal violation to which he pled guilty, and for which the Court found that the United States is entitled to forfeit substitute assets equal to the value of the proceeds obtained by the defendant.

2. In the July 2, 2019 Preliminary Order of Forfeiture, the Court further preliminarily forfeited the following property as substitute assets to be applied in satisfaction of the foregoing \$6,960,438.63 forfeiture money judgment:

(a) All bitcoin (“BTC”) and bitcoin cash (“BCH”) owned by Thomas in wallets and/or accounts held through third-party currency exchange Coinbase (approximately 279.543012 BTC and 279.543012 BCH), including any and all proceeds from the sale of such BTC/BCH.

3. The United States published notice of this forfeiture at the www.forfeiture.gov web site for at least 30 consecutive days, between January 20, 2021 and February 18, 2021, as required by Rule G(4)(a)(iv)(C) of the Supplemental Rules for Admiralty of Maritime Claims and Asset Forfeiture Actions, and said published notice advised all third parties of their right to petition the court within sixty (60) days from the first day of the publication date for a hearing to adjudicate the validity of their alleged legal interest in the forfeited property.

4. It appears from the record that no claims, contested or otherwise, have been filed for the bitcoin or bitcoin cash described in this Court’s July 2, 2019 Preliminary Order of Forfeiture.

5. Upon issuance of the Preliminary Order of Forfeiture, the United States was able to bring 279.54265708 bitcoin and 17.58531728 bitcoin cash into its custody.

6. Due to the current market price of bitcoin and bitcoin cash, it is possible that the sale or exchange of the bitcoin and bitcoin cash currently in government custody would yield U.S. dollars in excess of the \$6,960,438.63 forfeiture money judgment.

7. The Court imposed other criminal monetary penalties upon defendant in connection with the criminal judgment, and \$7,310,592.53 remains due and owing on the defendant's restitution order, which penalties operate as lien on all of the defendant's non-exempt property.

Based on the foregoing, it is HEREBY ORDERED, ADJUDGED, AND DECREED:

ORDER

1. Of the 279.54265708 bitcoin and 17.58531728 bitcoin cash currently in government custody, the amount of bitcoin and/or bitcoin cash reasonably necessary to obtain \$6,960,438.63 in Net Proceeds from the sale or exchange thereof (the "Forfeited Cryptocurrency"), is hereby forfeited to the United States. The United States is directed to dispose of the Forfeited Cryptocurrency according to law, including by selling or exchanging the Forfeited Cryptocurrency for U.S. dollars.

2. Up to \$6,960,438.63 in Net Proceeds from the sale or exchange of the above-described Forfeited Cryptocurrency shall be deposited by the IRS, the United States Department of Treasury, or other appropriate government agency, as soon as

located or recovered, into the Department of Treasury's Assets Forfeiture Fund in accordance with applicable law.

3. Of the 279.54265708 bitcoin and 17.58531728 bitcoin cash currently in government custody, to the extent bitcoin and/or bitcoin cash remain unsold after the sale of the Forfeited Cryptocurrency, the United States, by and through the appropriate government agency, is authorized to sell or exchange an additional amount of bitcoin and/or bitcoin cash reasonably necessary to obtain up to \$7,310,592.53 in Net Proceeds from the sale or exchange thereof (the "Additional Cryptocurrency").

4. Upon the sale or exchange of the Additional Cryptocurrency, the United States, by and through an appropriate government agency, shall turn over the Net Proceeds of the sale of the Additional Cryptocurrency, up to the full amount of the defendant's then-outstanding criminal monetary penalties, to the financial section of the Clerk's Office of the United States District Court for the Eastern District of North Carolina. These funds shall be applied to the outstanding balance of the defendant's outstanding restitution obligations.

5. Nothing in this Order is intended to prevent the United States from selling the Additional Cryptocurrency simultaneously with the Forfeited Currency, so long as the United States only sells or exchanges the amount of bitcoin and/or bitcoin cash reasonably necessary to obtain up to \$14,271,031.16 in Net Proceeds from the sale(s), which amount represents the total of the defendant's forfeiture money judgment and outstanding restitution obligations.

6. For the purposes of this Order, Net Proceeds shall mean the proceeds of the sale or exchange of cryptocurrency for U.S. dollars after deducting the reasonable expenses of conducting the sale or exchange.

7. After the sale(s) of the Forfeited Cryptocurrency and Additional Cryptocurrency, and the deposit of the Net Proceeds of such sales in the Department of Treasury's Assets Forfeiture Fund and/or with the Clerk's Office in accordance with the terms of this Order, to the extent that any bitcoin, bitcoin cash, and/or Net Proceeds from the sale of the Forfeited Currency or Additional Cryptocurrency remain in government custody, the United States shall, barring further court order, take reasonable efforts to return said property to the defendant.

8. The Clerk is hereby directed to send copies of this Order to all counsel of record.

SO ORDERED this 5 day of April, 2021.

J. Dever
JAMES C. DEVER III
UNITED STATES DISTRICT JUDGE